Organizational Capacity of Nonprofit Social Service Agencies

Keywords: Organizational capacity, nonprofit, social safety net, food assistance

Abstract

The U.S. social safety net is formed by governmental and nonprofit organizations, which are trying to respond to record levels of need. This is especially true for local level organizations, such as food pantries. The organizational capacity literature has not covered front-line, local, mostly volunteer and low resource organizations in the same depth as larger ones. This analysis is a consideration of whether grassroots nonprofit organizations have the ability to be a strong component of the social safety net. Based on the literature on organizational capacity, a model is developed to examine how service delivery at the local level is affected by organizational capacity. Surprisingly, few of the characteristics previously identified as important are statistically significant in this study. Even when so, the material effect is negligible. Current organizational capacity research may apply to larger nonprofits, but may not to the tens of thousands of small community nonprofits, a significant limitation to the research to date.
In 2007 more than five out of ten Americans (54 percent) believed that government should help the poor and needy even if the national debt increased, but by 2012 support for social programs dropped to 43 percent (Pew, 2012). Services designed to prevent most people from suffering lack of food, shelter, medical treatment, work, and other essentials make up the social safety net. It is under an unprecedented strain. Government, with record debt and deficits at all levels, is considering how to reduce social programs rather than expand governmental capacity to meet demand (Applebaum & Gebeloff, 2012). As a result, nonprofit organizations provide expanded safety net services to fill gaps.

In an example of particular note for this study, 25 percent of Americans participate get nutritional aid through the Supplemental Nutrition Assistance Program (SNAP which accounts for two-thirds of the current U.S. Department of Agriculture budget (ERS, 2012). Eve so, in 2011 more than 50 million households experienced food insecurity, defined as not having access at all times to enough food for an active, healthy life (ERS, 2012). To ameliorate the impact of food insecurity an expansive network of private and public food assistance programs work together in communities. In turn grassroots nonprofits have experienced increased service demands even though these organizations may lack the necessary resources or capacity to deliver requested services.

Organizational capacity for social service delivery through both governmental and nonprofit agencies is an important subject in the public administration literature (e.g., Andrews and Boyne, 2010; Fredericksen & London, 2000; Alexander, Brudney, & Yang, 2010; Lecy & Van Slyke, 2012). Practitioners and researchers alike have raised concerns and questions about nonprofit capacity (see Clerkin & Gronbjerg, 2007 or Hackler & Saxton, 2007).

Typically, organizational capacity is defined in terms of leadership, financial strength, or operational strategies, but most research tackles these issues separately and lacks a holistic presentation of capacity (see for example, the focus of Barman & MacIndoe (2012) focus on three bureaucratic measures in their study of the relationship between organizational capacity and outcome measurement). Building on previous public administration and nonprofit research this study explores the idea of comprehensive capacity of local level nonprofit organizations. The primary goal of this study is to understand whether
the concepts of organizational capacity, usually associated with larger, more professionalized and often public organizations, are present in smaller community nonprofits that are part of the social safety net. The paper proceeds with an overview on food pantries, the context of this study, before reviewing the literature on organizational capacity. The concepts of organizational capacity are then applied to community nonprofits providing food assistance services, specifically data from 313 community food pantries.

**Strategies to Address Hunger**

The federal government spends billions of dollars to reduce hunger (Eisinger, 2002; Jensen, 2002; Berner & O'Brien, 2004; Borders & Lindt, 2009). Nutrition assistance is offered through a variety of programs including SNAP, the Women, Infants & Children (WIC) program, the National School Lunch Program, and variety of commodity distribution services. The largest program is SNAP. In November 2012, SNAP participation rose to almost 48 million individuals, a 75 percent increase from November 2007 (FRAC, 2013).

But governmental aid alone is not enough to stop hunger. Partnerships with nonprofits are a critical weapon in the war on hunger (Daponte & Bade, 2006; Mosley & Tichen, 2004; Bhattarai, Duffy, & Raymond, 2005). Food pantries are a part of the group of multipurpose human services nonprofits that are 63.7 percent of all 501(c)(3) public charities in the United States (Blackwood et al., 2012). The proliferation of nonprofit emergency food providers as a part of the social safety net is now a well-accepted reality (Davis & Senauer, 1986; Leitch-Kelly, Rauschenbach, & Campbell, 1989). Food pantries often work in tandem with local governments via the local department of social services. These organizations serve populations in need by customizing programs for community situations. If these nonprofits lack capacity to deal with increasing service demand the impact on food insecure households will be great.

**Organizational Capacity**

Safety net programs are offered by both public and private actors (Thompson & Gais, 2000) and are considered interdependent (for example see Naim, 2006; Smith & Lipsky, 1993). Interdependence
theory suggests that when government recognizes the benefits of social services provided through nongovernmental actors it is sometimes willing to fund private enterprises (Salamon, 1987) or more often delegate the responsibilities for producing those goods and services to nonprofits to reduce costs, improve quality, and maximize efficiency (Lecy & Van Slyke, 2012; Alexander & Nank, 2009; Lambright, Mischen, & Laramée, 2010). A 2012 national survey of nonprofits reported 55 percent of respondents had added or expanded services, but 60 percent reported still not being able to meet demand. In prior surveys over 70 percent of respondents reported increased service demand from 2009 to 2011 (Nonprofit Finance Fund, 2012). These data raise clear, new questions about nonprofit organizational capacity.

Research on various individual aspects of organizational capacity in larger organizations delivering quasi-public goods exists (Eisenger, 2002; Salamon, 1995; Smith & Lipsky, 1993). Generally, the literature focuses on characteristics like community networks, institutionalization, effective leadership, resources, and sufficient staff (Wolf & Bryan, 2009; White, Fisher, Hadfield, Saunders, & Williams, 2005; Sowa, Selden, & Sandfort, 2004; Bishop, 2004; Leake, Green, Marquez, Vanderburg, Guillaume, & Gerdner, 2007; DeVita, Fleming, & Twombly, 2001; Letts, Ryan, & Grossman, 1999; Ebrahim, 2003). Mission fulfillment is also a central tenet of capacity (Sharpe, 2006) with an eye toward resource deployment and sustainability (Glover, Parry, & Shinew, 2005).

There is a far more limited treatment of organizational capacity of grassroots nonprofits. Sobeck (2008) linked evaluation, planning and grant writing to capacity building. For grassroots organizations she found modest financial investment has a positive impact. However important, these are activities aimed at satisfying short-term objectives rather than long-term goals.

Whether in large or small organizations, the ideas behind most notions of capacity center on performance. The presence of organizational capacity is most important if it is linked to program outcomes. Organizational capacity is defined broadly as mission fulfillment (McPhee & Bare, 2001). Success for nonprofits may be measured in how well constituent groups are served (Kaplan, 2001; for a local government equivalent see Andrews & Boyne, 2010). In terms of food insecurity, the concern is ultimately how to put groceries on the tables of hungry households. For the present study mission
fulfillment is operationalized through four categories: leadership; management; planning and financial strategies; and operations (Fredericksen & London, 2000).

**Leadership**

Leadership is defined here as adherence to mission, governance structure, staffing model, resources, community networks, and management practices, all of which vary widely. Some of the variability in organizational characteristics discussed below may help explain the service capacity of a community pantry.

Effective leadership is tightly tied to organizational mission (Knauft, Berger, & Gray, 1991). Mission statements help define organizations, embody values, attract stakeholders (including clients and donors), and are a way to ensure accountability through performance evaluation (Smith, Howard, & Harrington, 2005). Mission statements are one of the most elemental components of a formalized organization. This may mean staff or volunteers in organizations without mission statements are not driven by the same sense of purpose or commitment that would be found where clear, direct missions are used. Organizational capacity might be expressed as a mission statement, further refined through goals and objectives that lead to the creation of policies. Understanding the goals and objectives provides organizational leaders, funders, and stakeholders with metrics to determine “success.”

Clear mission matters but so does structure. Generally, the literature favors a stronger governmental approach, noting that structure and process are important. Institutionalization occurs once an organization begins to imitate others, develops internal operational processes used in similar organizations, and exhibit stability and efficiency (Zucker, 1987). Also, formal processes give stakeholders the means to measure program strengths, weaknesses, or needs.

Formalization gives an organization direction but nonprofit structure varies. Some grassroots organizations are tax-exempt nonprofits, some are voluntary associations but not corporations, and others are arms of larger groups (for example churches). Tax-exempt organizations in a number of American states must have a board with at least three members (Council on Foundations, 2010). The consensus is that larger boards have increased capacity for fundraising and program monitoring (Olson, 2000) because
there are simply more people to assist with gift acquisition, special events, and accountability through formal evaluations and reports made at meetings (Brown, 2005). The Panel on the Nonprofit Sector (2007) and the National Committee for Responsive Philanthropy (2009) suggest five board members is the minimum threshold nonprofits should reach. The diversity of professional and personal experiences board members bring to organizational management can be an important tool. Organizations that have major donors as board members tend to have greater organizational efficiency and lower administrative expenses (Callen, Klein, & Tinkleman, 2003).

The distinction between different organizational structures, particularly in the role of oversight, is likely to influence organizational capacity. A board and professional staff manage some organizations while volunteer committees lead others. On the other end of the spectrum, the most informal of social service organizations are not tax-exempt. These are founded and operated by individuals without oversight from either a board or committee. Some are affiliated with churches, run by committees, and others are loose associations of people who work to “help others” in some way. Having a formal structure gives organizational stakeholders direction, instills responsibility, and can standardize operational practice. At the same time, decisionmaking and consensus building are more difficult in larger groups, may occur with less difficulty in the absence of a hierarchy, board, or group of employees.

There is an important distinction in the organizational design of most food pantries versus larger nonprofits. The nature of community-based organizations fosters reliance on local volunteers for a governance structure. The differential in capacity between paid staff and volunteers may be important. Moreover, some pantries are independent 501(c)3 tax-exempt organizations while others operate under the umbrella of larger tax-exempt entities, often with ties to a religious group. Both types have implications for organizational capacity.

Faith-based organizations undertake efforts aimed at helping homeless and hungry households, such as soup kitchens and food pantries. Though the religious organization is often a 501c(3) nonprofit, its board is not likely to provide strategic direction for all efforts under the organizational umbrella. In this
scenario committees proliferate. Committees are often involved in the day-to-day operations of the program and may insulate the larger organization from involvement in service delivery.

Organizations lacking formalization and staffing structure or where service provision is favored over administrative responsibilities have been described as underdeveloped or lacking developmental maturity (Schuh & Leviton, 2006). In the pantry world, dedication to a cause means that the interest of a single person or small group may nurture an idea into service. These founders work in loosely formed coalitions that are likely not a legal corporation and lack an understanding of the rules associated with tax-exempt nonprofits but their passion means that needy households are served. In these cases, leaders may face the “founder’s dilemma” (Wasserman, 2008). The founder’s dilemma may play a decided role in the development of professionalized management strategies. Founders channel desire and motivation to address some issue into tangible, working organizations through hard work, inspiration, resource acquisition, and management. At some point many realize other individuals may better capitalize on resource opportunities but ceding organizational control is difficult.

**Management**

Daily management and administration are critical components of service delivery. Whether or not there is a paid executive director (ED) has been clearly established as an important aspect of a successful organization. The research focuses not on the existence of the position, but on ED education, related job experience, training and tenure (Schuh & Leviton, 2006; Simonton, 1996). Organizations with an experienced ED are more likely to be equipped with the expertise to understand and manage internal and external situations more easily than novices, thereby thriving on flexibility and enhanced performance (Mumford et al., 2000). When a new leader enters an organization, prior educational experiences and social skills provide a baseline for managing in the new environment (Podsakoff, MacKenzie, & Bommer, 1996).

On-the-job experience is built on that base. Tenure is vital to job knowledge, especially when a person has ten or more years with an organization (Chi, Glaser, & Rees, 1982). Prolonged exposure to organizational norms, practices, programs, and personnel lead to a high degree of knowledge about the
particular environment, both internal and external, for that agency. Vinzant & Vinzant (1996) argue experienced people are the most important organizational resource and may be the key to effective strategic management. Experienced directors with three or more years tenure (Peters, Allison, Chan, Masaoka, & Llamas, 2001) recruit and retain volunteers more readily, build relationships with community partners, and are more likely to engage in effective strategic management leading to mission fulfillment (Leviton, Herrera, Pepper, Fishman, & Racine, 2006).

A sense of permanence around the formal values or practices defining operational procedures within an organization is a form of institutionalization. One very basic indicator of institutionalization may be survival. Organizations that exist for a period of years demonstrate the ability to continue to deliver program activities. Other measures of institutionalization come from stability and predictability in service delivery. Policy and procedures manuals provide direct evidence of a structured, step by step approach to programming.

**Resource Strategies**

Organizations often strategize for the future. Organizational capacity is clearly boosted by the use of strategic planning (Bryson, Gibbons, & Shaye, 2001) as a way to guide vision and performance (Moxley, 2004). Strategic planning is easier when formal internal management processes are present. Processes like mission review, stakeholder analyses, and visioning (Bryson, 1995) may be coupled with resource allocation strategies (Vinzant & Vinzant, 1996), and strength and weakness reviews (Eisinger, 2002) to arrive a system of strategic management. Internal (behavioral, structural, experiential, and process design) and external (stimuli, autonomy) factors embedded in the process lead to the capacity to manage (Vinzant & Vinzant, 1996).

Managing resources is critical for mission fulfillment. Financial aspects of organizational capacity are used to understand effectiveness (see Hodge & Pittman, 2003; Cnaan, Boddie, Handy, Yancey, & Schneider, 2002) and manage resources. Degrees of financial maturity, such as budgeting and funding diversity, allow agencies to act deliberately in pursuit of the mission rather than in an ad hoc, financially vulnerable position (Greenlee & Trussel, 2006; Tuckman & Chang, 1991; Schuh & Leviton,
More autonomous organizations may be less dependent on single funders, have increased resources, and engage readily in strategic planning processes (Vinzant & Vinzant, 1996).

Budgeting is an area where organizations demonstrate that program activities are aligned with strategic plans and organizational mission. Implementing a budget allows the organization to measure performance relative to outcomes in an intentional way (Koteen, 1991). Budgeting leads to effective strategic planning (Eadie, 1989) including use of “in-kind” resources including professional services (often accounting or legal), office products, volunteer hours, or service oriented goods (for pantries donations of food). Many pantries include donations from private businesses (e.g., local grocers or big box stores), farms, restaurants, churches, or other groups in organizational budgets.

Operations

Organizational capacity may be easily linked to human resource management. For example, having enough staff to keep the pantry open is a major concern for food assistance organizations. Attracting and retaining sufficient staff, whether paid or volunteer, is critical to service delivery. That said, reaching the point where a nonprofit is stable enough pay staff is an important evolutionary step. Paid staff mean the organization can offer more reliable hours of operation.

Organizations can have a cadre of helpers numbering in single digits ranging to hundreds of people (Sharpe, 2006). Volunteers serve in leadership and management roles in addition to providing direct client services in grassroots organizations where only about a quarter of the programs have paid staff (Institute for Nonprofit Management, 1995). While volunteers are important, most devote only a few hours per week to nonprofit work.

Networks

Having an organizational support network is also important. Nonprofits manage operations to maximize relationships with key stakeholder groups (Balser & McCluskey, 2005). Food pantries are supported by church groups, individuals, and whole communities through funding, volunteer efforts, special events, and grants. Experienced executive directors build coalitions (Simonton, 1996) and work
with community stakeholders to develop relationships with individuals and other organizations, leading to
diverse and sustainable funding, and effective volunteer recruitment retention strategies.

Methodology

The data for this study come from a 2010 survey of food pantries affiliated with the three largest food banks in North Carolina. Organizations sampled were located across all regions of the state, operating in 69 of 100 counties where 83 percent of the population lives. The response rate for the survey was 40 percent; typical for food pantries according to food bank officials (see table 1).

Table 1: Response Rates at North Carolina Food Banks

<table>
<thead>
<tr>
<th></th>
<th>Counties Served</th>
<th>Surveys Distributed</th>
<th>Surveys Returned</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FBCENC</td>
<td>34</td>
<td>451</td>
<td>159</td>
<td>33</td>
</tr>
<tr>
<td>MANNA</td>
<td>16</td>
<td>154</td>
<td>80</td>
<td>52</td>
</tr>
<tr>
<td>Metrolina</td>
<td>19</td>
<td>177</td>
<td>74</td>
<td>42</td>
</tr>
<tr>
<td>Overall</td>
<td>69</td>
<td>782</td>
<td>313</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: Authors.

If the food pantry had an ED, he or she was asked to respond; if not, the board president or committee chair responsible for overall leadership and management of the organization was asked. On average respondents reported affiliation with the pantry in excess of eight years. Most (71 percent) completed the questionnaire electronically. There was no statistically significant difference between this group and those who responded via paper surveys. It is interesting to note more surveys were completed electronically than the percentage of pantries reporting an onsite computer (51 percent). One explanation is that pantry employees supplement organizational resources with personal ones (using a personal computer for example).
The findings from this study are not generalizable beyond pantries, but because there are so many of these organizations across the United States the results have great potential. The measures, particularly those around community networks, are most appropriate for measuring the capacity of community-based, locally focused nonprofits. The findings may be particularly well suited for grassroots organizations. A grassroots organization (as many food pantries are) is a volunteer-led nonprofit operating at the community level (Smith, 2000).

In the previous section commonly cited aspects of organizational capacity were identified. These are predictors in the model presented. The dependent variable is the number of clients served in 2009 (the most recent year for which data are available). The number of clients served is a count of service provided. A single incidence of client service is an “event.”

The sample used in this study is thus event count data. Count data are biased, inefficient, and inconsistent representations of non-negative integer values associated with an event (Cameron and Trivedi, 1998). This type of data is left-censored since no value can be recorded below zero. This is the case for clients served. The fact that no pantry could serve fewer than zero people means the data are likely to be biased and unreliable due to heterogeneous error terms associated with the model. But there is a solution.

In the case of Poisson models, which can account for outliers, the conditional variance of a predictor can be equal to its conditional mean. In the real world this situation rarely exists. A more likely scenario is over-dispersion of the mean without an excessive number of zeroes. For example, consider that the number of pantry clients served ranged from 21 to 42,486 but 80 percent of the cases were below 10,000 (µ=5,792). The appropriate correction for a situation like this is to use a negative binomial regression model (NBR). As such a NBR is used in this study.

Predictor variables used in the model are grouped in five categories according to the literature and interviews with key food bank staff (Earline Middleton, personal interview; Leigh Pettus, personal interview). The measures are: leadership (α = .75), management (α = .67), strategy (α = .67), operations (α = .71), and an additional category identified as “network” (α = .80). The dichotomous nature of the
variables, which indicate presence or absence of practices or activities (for example, board leadership, development of annual budget or strategic plan, etc.), makes it impossible to conduct factor analysis to construct key measures. Instead, each measure is a scale where that the maximum possible score is the sum of the sub-measures related to that category.

**Results**

Respondent experience leading the food pantry ranged from 2 months to 28 years. Educational attainment was dispersed across the group with around 40 percent having at least a high school diploma and about a third of the sample reporting master or professional degrees. About 35 percent of the respondents had been with the pantry between 5 and 8 years and 58 percent reported an affiliation between 2 and 10 years long. Achieving Cronbach’s alpha scores around 0.7 for the capacity characteristics suggests measurement reliability given the range of experiences and traits of the people responding to this survey.

The leadership variables are mission statement, goals and objectives, leadership by board or committee, and, if there is a board, whether there is community input in board selection. The maximum score was four and a mean of 2.39 was reported. Respondents were asked to provide mission statements as well as goals and objectives and descriptive information about board members (age, years of education, gender). Committees led only 21 percent (n=66) of the respondent organizations while 58 percent (n=184) were board led. Surprisingly, many respondents (n=63) reported not knowing the leadership arrangement for the organization.

While management and leadership are interconnected concepts, the former is more focused on structural variables while the latter centers on policy. The measures related to management are whether the organization has policy and human resources manuals, has an executive director, conducts performance evaluations for employees, trains employees and volunteers, uses eligibility rules to screen clients, and is accessible during non-business hours. The maximum score on this measure was eight. The mean score was 5.5. Executive directors were more likely to manage the day-to-day operations than committees or boards and were usually responsible for creating, implementing, and enforcing policies or
training. For this reason the executive director measure was included in this grouping rather than leadership or operations. Most organizations report having an executive director (n=250), of those, 44 percent are volunteers, 24 percent full-time employees and about half have at least bachelor’s degrees. Another major food assistance issue arises with this category: many people seeking food assistance work (Berner, Ozer, & Paynter, 2008). If a food pantry is open only during weekday business hours and never during the evening or on weekends, people who work may not be able to access the aid they need. Accessibility is treated as a management variable in this study because it requires that a manager have the ability and experience to anticipate this sort of problem and develop a resource strategy to address it.

Resource strategy is measured through the existence of strategic planning and budgeting processes, receipt of grants through government (federal, state, or local) and/or private foundations, in-kind donations, and special fundraising projects. The maximum strategy score was seven. This is an area where the pantries have diminished capacity (mean = 2.1). More than 75 percent of the organizations possess less than three of the sub-measures associated with resource strategy. Of the organizations that responded to this survey, 224 reported having “no budget” and half (n=150) noted having no formal financial statements. There are two possibilities to explain this result. The first is based on statements provided in the comment section of the survey. Twenty-seven people wrote that their organization had no budget but “spent all the money” available, another 37 people wrote about spending “donations that come in,” and a few noted that the organizational budget “varied with congregational giving and special offerings.” It appears if these organizations raise money it is spent immediately. There are no formal fundraising goals and no traditional budget plan. Even so, when money was spent it was often tracked through financial reports. The second explanation is that there was confusion about the definitions of a budget and financial statement. Again, the comments provided on a number of the surveys suggested that some people saw these as interchangeable terms.

Management, planning, and leadership are important, but daily activities are perhaps the most visible form of organizational capacity, and are included in the model as “operations.” The maximum score for operations was 11, and the mean reported was 6.5. Organizations garner support from
stakeholders through financial or in-kind contributions, distribution of needs notices (lists of items to be distributed), opportunities for speaking engagements, or volunteer hours. Other measures of operational strength are found in the physical space (adequacy of storage, client intake, records management), and systems used (computer, internet, type of client records). The ultimate measure of capacity included in this study as an operational variable was whether clients were turned away for any reason – ranging from the organization running out of food to clients living outside the service area. There was an even split in responses with 50.2 percent of organizations reporting turning clients away for some reason.

Finally, as a final measure of strength, respondents reported the numbers and types of organizations with whom the food pantry is affiliated. They noted whether resources are garnered from community bakeries, farms, grocery stores, or restaurants. In addition, they reported whether the pantries have a relationship with the local department of social services. The overwhelming majority of organizations are not very well connected to the community. The maximum score was six. Most (65 percent) reported a single organizational connection, usually with the department of social services.

On average, food pantries served 5,792 clients in 2009, with a range of 21 to 42,000. However, as described above, the distribution is skewed -- only 20 percent of the pantries served more than 10,000 people. These small, community based organizations rarely turned clients away but when they did it was because there were too few staff or volunteers available (n=9), the pantry had a limited amount of food (n=44), clients were unqualified (n=61), or lived outside the service area (n=62).

Leadership, strategy, and operations were associated with increased capacity though management and network were associated with decreased capacity (see table 2). As it turns out, food pantry organizational capacity is most affected by leadership, though the effect is small.
Table 2. Results of Negative Binomial Regression, Predicting Factors Associated with Local Nonprofit Organizational Capacity

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>.100</td>
<td>.075</td>
<td>- .047 - .247</td>
</tr>
<tr>
<td>Management</td>
<td>-.014</td>
<td>.026</td>
<td>-.066 - .037</td>
</tr>
<tr>
<td>Strategy</td>
<td>.088</td>
<td>.051</td>
<td>-.012 - .189</td>
</tr>
<tr>
<td>Operations</td>
<td>.011</td>
<td>.029</td>
<td>-.047 - .068</td>
</tr>
<tr>
<td>Network</td>
<td>-.121</td>
<td>.050</td>
<td>-.243 - .023</td>
</tr>
<tr>
<td>Constant</td>
<td>8.307</td>
<td>.218</td>
<td>7.880 - 8.734</td>
</tr>
</tbody>
</table>

Dispersion = mean
N=278
Prob $X^2=.004$
Log likelihood = -.2658.73
LR $X^2(5)=17.3$
Pseudo $R^2=.003$

Source: Authors.

The NBR model produces coefficients that are the log likelihood estimates of a one-unit change in the dependent variable as a function of an independent variable, while holding all other variables constant. For example, if the leadership coefficient is 0.11 that means that the number of clients served will increase by one person for each 0.11 increase in log likelihood of leadership capacity (as evidenced by the type of governance structure (board or committee), and presence or absence of a mission statement and goals and objectives). It is difficult to conceptualize this effect. NBR coefficients are interpreted as the difference between logs of expected counts. The difference in logs of expected change in leadership is 0.1, with all else being held constant. Surprisingly, both management ($B=-.014$, 95% CI -0.07 to 0.4) and network strength ($B=-.12$, 95% CI -0.24 to -0.02) have negative effects on organizational capacity.

Incidence rate ratios (IRR) are used to make the results more intuitive (see table 3). An IRR presents the change in the dependent variable as a ratio – a count – based on changes in the independent variable, again holding all else constant. In this case, if the leadership coefficient is 1.11 that would mean that the number of clients served would increase by 1.11 times for each increase in leadership score, all other things being equal. Practically speaking, the results indicate that the traditional traits associated with
organizational capacity have little effect in the case of food pantries. That is, there are likely other variables at play and those variables ultimately explain whether a food pantry is able to garner necessary resources to aid the hungry.

Table 3. Incidence Rate Ratio, Predicting Factors Associated with Local Nonprofit Organizational Capacity

<table>
<thead>
<tr>
<th></th>
<th>IRR</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>1.11</td>
<td>.075</td>
<td>0.047 .247</td>
</tr>
<tr>
<td>Management</td>
<td>.99</td>
<td>.026</td>
<td>0.066 .037</td>
</tr>
<tr>
<td>Strategy</td>
<td>1.09</td>
<td>.051</td>
<td>0.012 .189</td>
</tr>
<tr>
<td>Operations</td>
<td>1.02</td>
<td>.029</td>
<td>0.047 .068</td>
</tr>
<tr>
<td>Network</td>
<td>.89</td>
<td>.050</td>
<td>0.243 -.023</td>
</tr>
</tbody>
</table>

Dispersion = mean
N=278
Prob X²=0.004
Log likelihood = -2658.73
LR X²(5)=17.3
Pseudo R²= 0.003
Source: Authors.

Organizations with higher capacities for leadership are 1.11 times more likely to increase the number of clients served by one individual relative to those with lower leadership capacity scores. Similar patterns hold true for management, resource strategies, operational activities, and network strength where the incidence rates all hover around 1. Boosting network strength means that not enough one whole additional person is served by increasing the number of organizations with which the food pantry works. In fact, it could be that taking time to develop relationships takes away from time a staff person or volunteer devotes to handing out bags of food. That is, the organizational capacity traits most associated with increased ability to provide services do not materially affect whether a small, community based organization like a food pantry is able to increase service provision.
Discussion and Implications for Future Research

There are a number of possible explanations for the capacity issues related to grassroots organizations. For example, the use of a policy or procedure manual may decrease client service numbers because the pantry staff is likely to act in a more uniform, less ad hoc fashion. Having increased food storage capacity may impact how much room is available for client interviews and intake procedures. Automation and professionalized record keeping systems are highly touted as important organizational management tools, but anecdotal evidence coupled with these findings suggests that whether a computer is used or not, pantry staff find ways to get food to hungry clients. In fact, taking the time to log information into a computerized database may slow some volunteers, especially those unfamiliar with the software systems.

The literature suggests that leadership strategies, financial management, and operational practices are indicators of organizational capacity, and in some ways associated with organizational health. The results of the comprehensive capacity model built in this analysis both support the extant literature and call into question the applicability of the concepts of organizational capacity as universal measures. The notions of leadership are positively associated with increased capacity, but even so, increasing leadership capacity through building a board or better understanding organizational mission or goals only increases the rate of clients served in the most minimal way. The strength of this paper lies in what we did not find.

While the model is statistically significant the weak associations are simply not expected. The most important story from this analysis is that the generalizability of much of the literature on the importance of various aspects of organizational capacity is more limited than previously understood. Capacity in grassroots organizations may be so different than in their larger counterparts that these groups need to be studied in more detail and separately from nonprofits with extensive professional staff or resources. That is small organizations are just different from large ones.

The characteristics of larger, often public organizations may not apply to grassroots organizations. Formal titles, board selection processes, or mission statements may not increase whether or not a small organization can increase the number of people who are served. Certainly the practices
associated with organizational capacity can lead to positive results at the local level and beyond. This is without question. Even so, there are other relationships, practices, and intangible factors relative to those suggested as important in the larger body of organizational capacity that impact smaller human service organizations. At the local level, community supported nonprofits are unlike other public sector organizations. Latent factors may be at play. In that light, there are great possibilities for future research.

One variable possible area for study is training. Having the formal process of in-take forms and client records reflects an important milestone in the capacity of a pantry. It reflects a level or professionalism, formality, organization, planning, accountability, expected sustainability, and stable administrative and financial situation. Those with a training system for staff and volunteers are there for the long haul with someone who cares about running a tight ship. Training leads toward consistent, equitable service provision.

Practically speaking, this study has importance for groups that are faith-based or volunteer driven. Volunteers often lead food pantries as well as many other types of grassroots organizations. These organizations may have people or groups with unique sets of values or motivators that drive them to be involved in service delivery. Volunteers may be involved because a friend is or because there is a personal connection to a particular cause. The one-size-fits all mentality may not work. Instead grassroots organizations may look for ways to develop or strengthen community ties that maximize resources.

Despite their commitment, transportation, work, family, health, and other issues challenge their ability to be at the pantry handing out food. As part of continuing research in this area, volunteer interviews documenting the experiences of those who have been working at the food pantries for decades may shed light on why and how pantries operate and how to increase their capacity to serve clients. Staffing via volunteers is a double-edged sword for nonprofits. A free labor pool is an incredible asset when the workers are present and a terrible gap when they are missing. A volunteer’s availability and his or her individual capacity may drive the existence and use of many of the characteristics included above. At least one volunteer pantry director noted she does not have a computer, does not want a computer, and will not use a computer. She is 84 years old, a widow. She has kept meticulous records for over a decade.
Food is organized, shelved and tracked in the former tobacco barn on her land. She has a personal relationship with the produce manager at the local grocery store. She has a planned weekly route for deliveries, including a stop at the local senior center. She carries the food in herself. In the world of small community nonprofits, the commitment of the volunteers may be more important than items like storage space or training manuals.

Religiosity may also be a factor to consider. About half of the sample studied report having some sort of tie to a faith tradition. This is not unique to this sample, and is actually lower than the norm for food pantries nationwide. Many human services nonprofits have a religious tie. In that case, the program or project may be seen as a “ministry” that does not need its own staffing, budget process, or leadership structure. Resources, both financial and other, may come through the church, synagogue, or other bodies, meaning again, that food pantries or other religiously supported nonprofits, would not have, or necessarily need, the organizational characteristics listed above in order to maximize client service.

Future research should continue to focus on what is important for the growth and sustainability of small community nonprofits. For example, in line with the results from this analysis, there is substantial opportunity to study the tipping points where smaller organizations find ways to excel in offering expanded services despite decreased capacity as it is traditionally viewed. Future work needs to include a much broader range of organizational size and structure.

Future work also needs to focus more on community level nonprofits. Resources to effectively manage the organizations must also be made available if the onus of service delivery continues to be on local level nonprofits. Nonprofit food assistance organizations may serve as “canaries in the coal mine” for social service programs. Demand in these programs has increased at double digit annual rates for over a decade. Can grassroots community organizations handle that type of growth? How can policy help create capacity at community-level nonprofits – the organizations which serve as the final recourse? It may be only through expanding the capacity of the current community-based system that society will be able to fill the gaps in the national social safety net. However, first, it may require an entire change in the concept of capacity.
References

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